

Ashley M. McDow (245114)  
Michael T. Delaney (261714)  
**BAKER & HOSTETLER LLP**  
11601 Wilshire Boulevard, Suite 1400  
Los Angeles, CA 90025-0509  
Telephone: 310.820.8800  
Facsimile: 310.820.8859  
Email: amcdow@bakerlaw.com  
mdelaney@bakerlaw.com

Attorneys for MICHAEL G. KASOLAS,  
Plaintiff and Trustee of the Hashfast Creditor Trust

**UNITED STATES BANKRUPTCY COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**SAN FRANCISCO DIVISION**

In re

HASHFAST TECHNOLOGIES, LLC, a  
California limited liability company,

Debtor and Debtor in possession.

x Affects HASHFAST LLC, a Delaware  
limited liability company,

Debtor and Debtor in Possession.

MICHAEL KASOLAS, TRUSTEE OF THE  
HASHFAST CREDITOR TRUST,

Plaintiff,

v.

EDUARDO DECASTRO,

Defendant.

Lead Case No.: 14-30725 DM

Jointly Administered and Substantively  
Consolidated with:

Case No.: 14-30866 DM

Chapter 11

Adv. Case No.: 16-03056 DM

**STATUS REPORT**

Status Conference:

Date: December 16, 2016

Time: 2:30 p.m.

Place: Courtroom 17

U.S. Bankruptcy Court

450 Golden Gate Ave.

San Francisco, CA 94102

1 **TO THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY**  
2 **JUDGE, ALL INTERESTED PARTIES AND/OR THEIR COUNSEL OF RECORD:**

3 Michael G. Kasolas (the "Trustee"), the trustee for the Liquidating Trust (the "Trust")  
4 established pursuant to the *Consolidated Plan of Liquidation and Disclosure Statement for*  
5 *Hashfast Technologies, LLC and Hashfast, LLC, Dated June 4, 2015* (the "Plan"), hereby submits  
6 the within *Status Report* for the above-captioned adversary proceeding (the "Adversary").

7 **I. GENERAL BACKGROUND AND PROCEDURAL HISTORY**

8 Prior to the commencement of the above-captioned, substantively consolidated  
9 bankruptcy cases (the "Bankruptcy Cases"), defendant Eduardo De Castro ("Defendant") was the  
10 chief executive officer and managing member of Hashfast Technologies, LLC ("HFT").

11 Following the confirmation of the Plan, the Trustee investigated certain potential  
12 avoidable transfers. In the course of this investigation, the Trustee uncovered potential avoidable  
13 transfers to the Defendant totaling no less than \$154,365.28 (the "Transfers"). Accordingly, on or  
14 about May 18, 2016, the Trustee filed a complaint (the "Complaint") seeking to (1) avoid and  
15 recover the Transfers for the benefit of the bankruptcy estate (the "Estate") pursuant to 11 U.S.C.  
16 §§ 547(b) and 550 and (2) disallow any and all claims asserted by Defendant against the Estate  
17 pursuant to 11 U.S.C. § 502(d). On or about August 24, 2016, the Trustee served the Defendant  
18 with process in the Adversary.

19 Since the commencement of the Adversary, the Trustee and the Defendant have engaged  
20 in extensive settlement discussions in an effort to resolve the Adversary. In light of these  
21 negotiations, the Trustee granted the Defendant several extensions to file an answer to the  
22 Complaint. On or about October 21, 2016, the Court held a continued status conference in the  
23 Adversary. During the status conference, the Court set November 30, 2016 as the deadline by  
24 which the Defendant was required to file an answer or other responsive pleading to the  
25 Complaint. In accordance with the Court's instructions, the Trustee served the Defendant with a  
26 copy of the *Notice of Continued Status Conference and Deadline to Respond to Complaint*. See  
27 Docket Entry 9.  
28

1 **II. STATUS REPORT**

2 Following the status conference held on October 21, 2016, the Trustee and the D&O  
3 insurance carrier for HFT (the "Insurer") engaged in mediation. As a result of the mediation, the  
4 Trustee and the Insurer (collectively, the "Parties") have reached a settlement agreement for  
5 certain potential claims and cause of action against the directors and officers of HFT, including,  
6 without limitation, the Defendant. The Parties are presently preparing a formal written settlement  
7 agreement. Once completed and fully executed, the Trustee shall seek approval of the settlement  
8 in accordance with the terms of the Plan.

9 The claims asserted in this Adversary fall within the gamut of the claims resolved  
10 pursuant to the settlement agreement with the Insurer. Accordingly, if and when the settlement is  
11 approved, the Trustee shall voluntarily dismiss this Adversary. The Trustee anticipates filing a  
12 motion seeking approval of the settlement agreement within the next thirty (30) days.

13 Based on the foregoing, the Trustee requests that the Court continue the December 16,  
14 2016, status conference (the "Status Conference") for a period of no less than sixty (60) days to  
15 permit the Parties to finalize and seek approval of the settlement agreement, and waive  
16 appearances at the Status Conference.

17  
18 Dated: December 1, 2016

Respectfully submitted,

19  
20 **BAKER & HOSTETLER LLP**

21 By:

  
22 Ashley M. McDow  
23 Michael T. Delaney

24 Attorneys for MICHAEL KASOLAS,  
25 Plaintiff and Trustee of the Hashfast Creditor Trust  
26  
27  
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## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
**Baker & Hostetler LLP, 11601 Wilshire Blvd., Ste. 1400, Los Angeles, CA 90025-0509**

A true and correct copy of the foregoing document entitled (*specify*): **STATUS REPORT** will be served or was served (a) on the judge in chambers; and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** The foregoing document will be served by the court via NEF and hyperlink to the document. On December 1, 2016, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Michael Delaney mdelaney@bakerlaw.com, sgaeta@bakerlaw.com

Ashley McDow amcdow@bakerlaw.com, sgaeta@bakerlaw.com

☐ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On December 1, 2016, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Honorable Dennis Montali  
PO Box 7341  
San Francisco, CA 94120-7341

Eduardo DeCastro  
340 11th St.  
San Francisco, CA 94103

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*):** On December 1, 2016, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Via email

Eduardo.decastro@gmail.com

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

December 1, 2016  
Date

Sonia Gaeta  
Printed Name

/s/ Sonia Gaeta  
Signature